

REMARKS/ARGUMENTS

In the Office Action of December 13, 2004, original Claims 1-73 are rejected under 35 U.S.C. 103(a) as being unpatentable over Wonfor et al., U.S. Patent 6,381,747 ("Wonfor et al.") in view of Hunter et al., U.S. Patent 6,647,417 ("Hunter et al."); and also under 35 U.S.C. 103(a) as being unpatentable over Sims, III, U.S. Patent 6,438,235 ("Sims III") in view of Hunter et al.

1. Prima facie case of obviousness

The examiner bears the initial burden of factually supporting any *prima facie* conclusion of obviousness. If the examiner does not produce a *prima facie* case, the applicant is under no obligation to submit evidence of nonobviousness. MPEP § 2142.

To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. In re Royka, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). "All words in a claim must be considered in judging the patentability of that claim against the prior art." In re Wilson, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). If an independent claim is nonobvious under 35 U.S.C. 103, then any claim depending therefrom is nonobvious. In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed.Cir. 1988).

Applicant respectfully submits that a *prima facie* case of obviousness has not been established, because one or more elements of each of the claims 1-73 is neither taught nor suggested by the cited references, as will be explained below.

2. Rejection of Claims 1-73 under 35 U.S.C. 103(a) under Wonfor et al. in view of Hunter et al.

First of all, Applicant respectfully points out that the use of Wonfor et al. in a 35 U.S.C. 103(a) rejection is improper according to 35 U.S.C. 103(c) since the present invention and that of Wonfor et al. were commonly owned at the time the invention was made (i.e., under invention assignment agreements, all rights under both the Wonfor et al. patent and the present patent application are contractually owned by Macrovision Corporation at the time of their invention).

Even if it were appropriate to use Wonfor et al., the rejection should fail, because there is at least one element in each of the claims 1-73 that is neither taught nor suggested in Wonfor et al. and Hunter et al., alone or in combination. Therefore, a *prima facie* case of obviousness is not established by these references.

Claim 1 recites "ascertaining terms for providing a protected material to a prospective recipient according at least in part to information of unauthorized copying of other protected material previously provided to said prospective recipient."

To simplify the following discussion, such information will be referred to as the “piracy history” of the prospective recipient. See, page 14, lines 1-10 (definition of “piracy history”).

Neither Wonfor et al. nor Hunter et al., alone or in combination, teach or suggest the use of the piracy history of a prospective recipient in ascertaining terms for which protected material is to be provided to the prospective recipient.

Wonfor et al. does not even recognize the possibility of piracy occurring, because it teaches a copy protection method and system that prevents piracy. In particular, Wonfor et al. teaches a copy protection circuit which is adapted to apply selected anti-copy waveforms to the video signal corresponding to the program material. See, e.g., Abstract. In the event that a subscriber records the PPV protected program via a VCR to obtain a taped copy without authorization, the unauthorized copy will be degraded to the degree that it is un-watchable. See, e.g., Col. 5, lines 50-53.

Thus, Wonfor et al. frustrates attempts to make unauthorized copies by degrading the quality of those copies to the degree that they are un-watchable. Wonfor et al. makes no teaching or suggestion that information of unauthorized copying is used to ascertain terms under which subsequently requested material is provided to the party.

Hunter et al. teaches the distribution of music containing unique ID tags, which limits piracy by making it possible to prove that a CD is an illegal copy, as well as to identify

the source of the illegal copy. See, Col. 16, lines 17-20. When piracy is detected using the ID tags, Hunter et al. neither teaches nor suggests that such piracy activity should or can be used to ascertain terms upon which other protected material is to be provided to the pirate. Instead, it teaches the use of its ID tags to detect piracy and after such detection, prosecute or threaten legal prosecution of the pirates. See, Col. 16, lines 31-32 and lines 55-60.

The Office Action attempts to point to language in Hunter et al. that refers to content providers offering pricing specials or incentives (Col. 4, lines 8-29) as teaching the element of "ascertaining terms for providing a protected material to a prospective recipient according at least in part to information of unauthorized copying of other protected material previously provided to said prospective recipient."

However, there is nothing in Hunter et al. to teach or suggest that such pricing specials or incentives are provided on an individual basis to a prospective recipient of protected material, nor that any such pricing specials or incentives that might be offered on an individual basis would be according to the piracy history of the prospective recipient.

Accordingly, Claim 1 is believed to be patentable under 35 U.S.C. 103(a) over Wonfor et al. in view of Hunter et al., since these two references do not teach each and every element of the claim and in particular, neither reference teaches nor suggests that a prospective recipient's piracy history should be used to ascertain terms under which protected material is to be provided to the prospective recipient.

Claims 2-73 are also believed to be patentable under 35 U.S.C. 103(a) over Wonfor et al. in view of Hunter et al. for essentially the same reasons stated in reference to Claim 1, as well as any other reasons stated in reference to Wonfor et al. in Applicants' prior communications.

3. Rejection of Claims 1-73 under 35 U.S.C. 103(a) under Sims III in view of Hunter et al.

Like Wonfor et al. and Hunter et al., Sims III also fails to teach or suggest the element of "ascertaining terms for providing a protected material to a prospective recipient according at least in part to information of unauthorized copying of other protected material previously provided to said prospective recipient".

In Sims III, the protected content is stored on a bulk storage media. Protection is provided in this case by a means through which the media is securely identified as being original and a playback device is securely identified as being authorized. As a consequence, devices or users of the media may be assured that interaction therewith is authorized as each end can securely identify the other and each end can securely send data to the other end. See, e.g., col. 3, lines 24-34.

Thus, Sims III is concerned with making sure that only the intended recipient of material is able to receive a transmission of the material. It prevents the unauthorized copying from occurring in the first place. As stated in Sims III, "Operation of the present

invention is not to allow or disallow any particular transmission, but rather to obscure the content (information or data), using cryptographic methods, such that only a legitimate recipient can make use of that data, i.e., nobody but the content owner, or those authorized by him/her, is able to copy protected media content." See, Col. 3, lines 34-40.

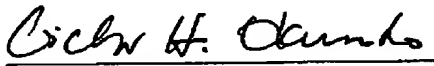
Accordingly, Claim 1 is believed to be patentable under 35 U.S.C. 103(a) over Sims III in light of Hunter et al., since these two references do not teach each and every element of the claim and in particular, neither reference teaches nor suggests that a prospective recipient's piracy history should be used to ascertain terms under which protected material is to be provided to the prospective recipient.

Claims 2-73 are also believed to be patentable under 35 U.S.C. 102(e) over Sims III in view of Hunter et al., for essentially the same reasons stated in reference to Claim 1, as well as any other reasons stated in reference to Sims III in Applicants' prior communications.

Claims 1-73 remain pending in the application. Reconsideration of the rejection of these claims is respectfully requested for the reasons stated herein, and an early notice of their allowance earnestly solicited.

Respectfully submitted,

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